OFFICE *of the* FIRE COMMISSIONER

2006
2007

ANNUAL REPORT

Manitoba

Our Mission

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

Our Values

We believe people have the right to live in safe communities.

We believe in providing the best possible programs and services to our clients.

We believe being responsible for our organization and in our organization being fair, effective and efficient.

We believe in the loyalty of our people and value their continued development.

Minister of Labour and Immigration

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour
The Honourable John Harvard, P.C.
Lieutenant Governor of Manitoba
Room 317 Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I have the privilege of presenting the eleventh Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2007.

Respectfully submitted,

Nancy Allan

Nancy Allan
Minister of Labour and Immigration

Manitoba

Labour and Immigration

Deputy Minister of Labour and Immigration
311 Legislative Building
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Honourable Nancy Allan
Minister of Labour and Immigration
Room 317 Legislative Building
Winnipeg MB R3C 0V8

Minister:

I am pleased to submit, for your consideration, the eleventh Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2007.

The Board and Management continue to strive to meet the important organizational mission of safeguarding both persons and property through education, investigations, emergency response and code application.

Respectfully submitted,

Jeff Parr
Deputy Minister and Chairperson of the OFC SOA Advisory Board

Jeff Parr
Deputy Minister of Labour and Immigration
Room 311 Legislative Building
Winnipeg MB R3C OV8

Dear Chairperson:

I am pleased to submit for your review the eleventh Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2007.

Highlights of the year:

- Non-levy revenues represent 43% of revenues, up from 21% in the first year as a SOA, allowing the Agency to reduce its reliance on the insurance levy;
- The Agency applied for and received federal and provincial grants to cover costs associated with hazardous materials, search and rescue initiatives and heavy urban search and rescue initiatives;
- In partnership with Manitoba Aboriginal and Northern Affairs, the Office of the Fire Commissioner is in its third year of a fire protection strategy to enhance fire protection services in northern and remote communities;
- The Agency introduced a new *Fires Prevention and Emergency Response Act* and also passed a regulation respecting Fire Safety Inspections;
- Through the Manitoba Emergency Services College over 5600 individuals were certified in emergency management and response;
- Fire investigators investigated over 650 fires in 2006;
- The Agency participated in over 30 emergency responses.

Through our continued commitment to enhance the level of public safety in the Province of Manitoba, the Office of the Fire Commissioner will continue to be a leader in the emergency services community.

Yours truly,

Douglas M. Popowich
Fire Commissioner

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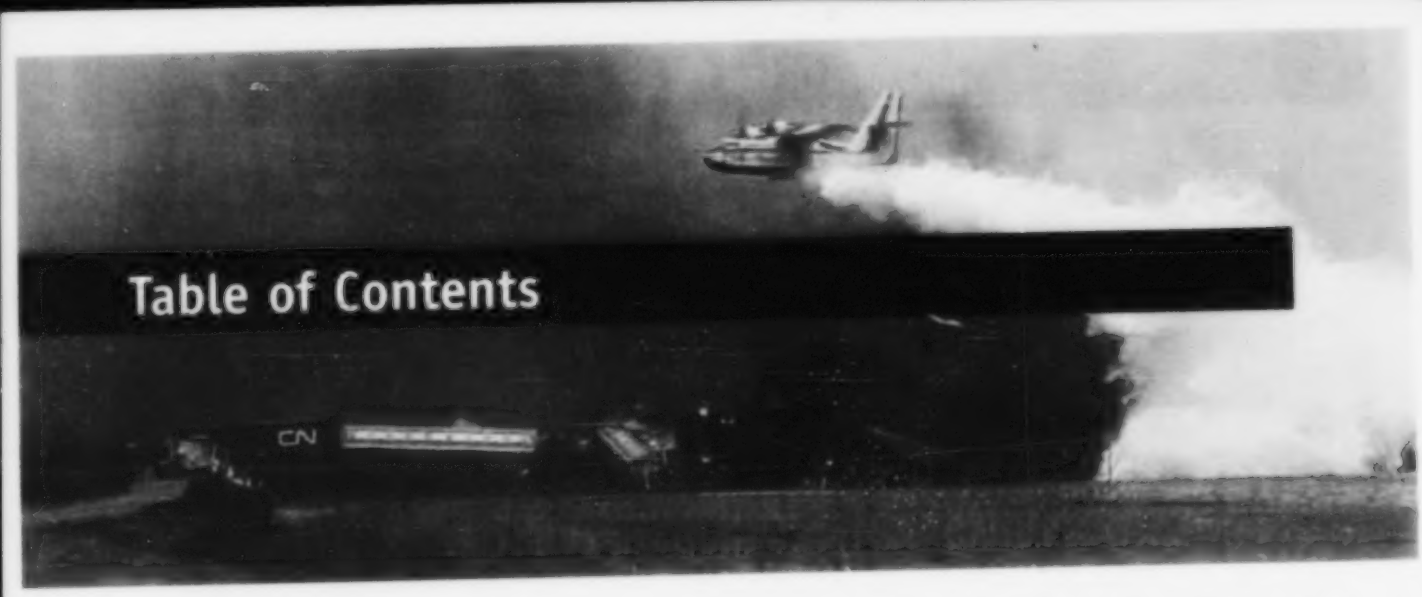

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SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and comments on all Agency's proposed business plans, quarterly and annual reports.

The Advisory Board consists of the following individuals:

JEFF PARR
Board Chair
Ex Officio
Deputy Minister,
Manitoba Labour and Immigration

DOUG POPOWICH
Ex Officio
Fire Commissioner,
Office of the Fire Commissioner

Tornado at Elie, MB

Members

KEVIN BRISCOE
Client Representative
ING Insurance

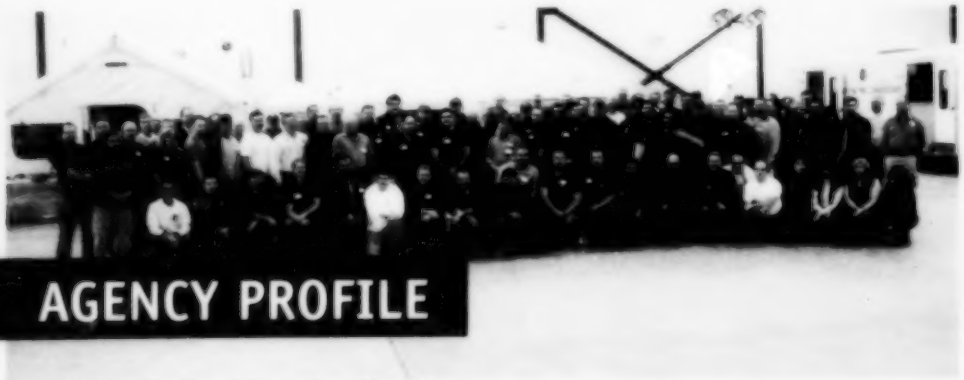
WAYNE SHERWOOD
Client Representative

DENNIS NODRICK
Client Representative
Manitoba Association of Fire Chiefs

ALAN RANSOM
Association of Manitoba Municipalities
Councilor, RM of Morton

GORD FAVELLE
Agency Staff Representative
Manager CISM,
Office of the Fire Commissioner

1 AGENCY PROFILE



Manitoba Urban Search and Rescue Team CAN TF-4

Historical Perspective

The Fires Prevention Act was originally created in 1872, for the prevention of prairie fires and included the authority to conduct fire investigations. In 1885, the Act was amended to include fire protection of wooded lands. In 1876, the first Fire Commissioner was appointed. In 1940 *The Fires Prevention Act* was separated into two parts. Part I dealt with the forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention and protection. Training of fire fighters became a responsibility in the early 1960s. Part I was replaced with *The Wildfires Act* in 1997.

In 2002, as a result of the World Trade Center Crisis, Bill 2, *The Security Management Act* (Various Acts Amended), received Royal Assent. This Bill changed *The Fires Prevention Act* to *The Fires Prevention and Emergency Response Act*. Bill 2 mandated the Office of the Fire Commissioner (OFC) to respond to emergency situations and ensure a sufficient incident management system is in place and operational. In addition, the Bill expanded the role of the Fire Commissioner from being able to order evacuations in times of emergencies resulting from fire to include the order of evacuations for all life threatening emergencies.

The OFC is responsible for all building codes and standards through *The Buildings and Mobile Homes Act*. The forerunner of this Act was *The Manitoba Public Buildings Safe Egress Act* of 1877. This was followed by *The Manitoba Public Building Act* in 1884. The focus of both these Acts was safe public assembly buildings and means of egress. The proliferation of building codes and standards, within the province, caused the Government of Manitoba, in 1974, to introduce *The Buildings and Mobile Homes Act* which came into full force on April 1, 1977. The regulation under this Act is the Manitoba Building Code which is the minimum construction standard adopted by the province.

The Agency provides a wide spectrum of mandated services and related activities. No one service area of the Agency stands alone. They are all fundamentally interrelated with the Education and Training and Emergency Response areas being the unifying and defining components.

Organizational Services

The services provided are allocated into the following six sections:

Administration

Through the Fire Commissioner, the Administration Section provides overall leadership and direction to the organization. All planning for fiscal, operational, human resource management and policy development is the responsibility of this Section.

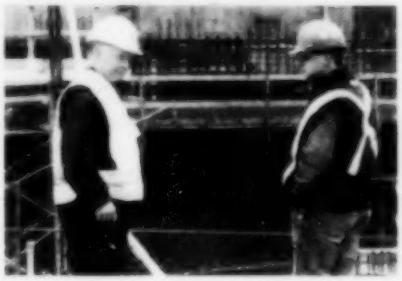
Emergency Services/ Municipal Support

Provides consultative services and support to the Municipal Fire Service in the areas of fire department management and operations, fire prevention inspections, public education and fire investigations, as well as provides support to the province-wide Mutual Aid System.

Education and Training

Provides comprehensive Emergency Services training, public education, Critical Incident Stress Management (CISM), and emergency medical training through the Manitoba Emergency Services College (MESC) or local community-based trainers.

Codes and Standards



Provides building plan review, code enforcement, consultative services, verifies permit applications, and provides advice in the development of the Manitoba Building, Fire and Plumbing Codes.

Fire Investigations

Determines the origin and cause of all fires referred to the Agency.

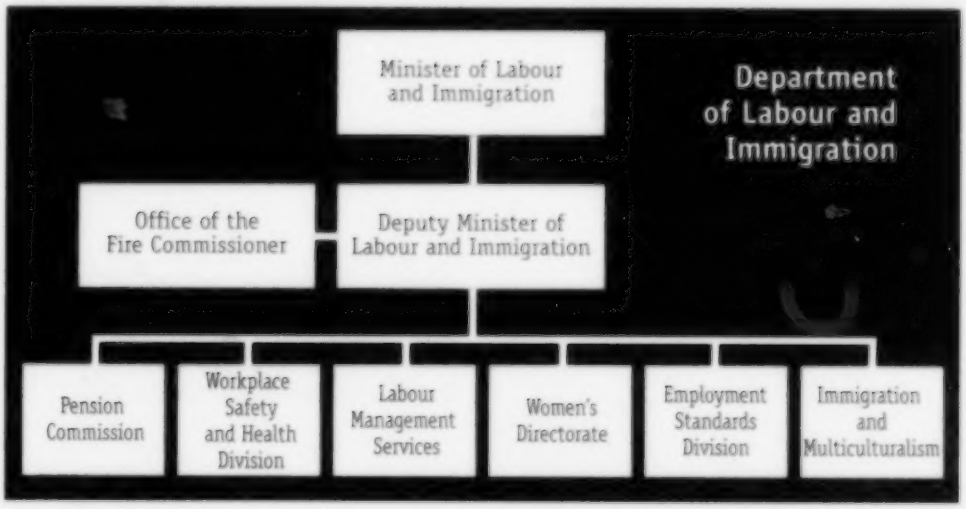
Emergency Response

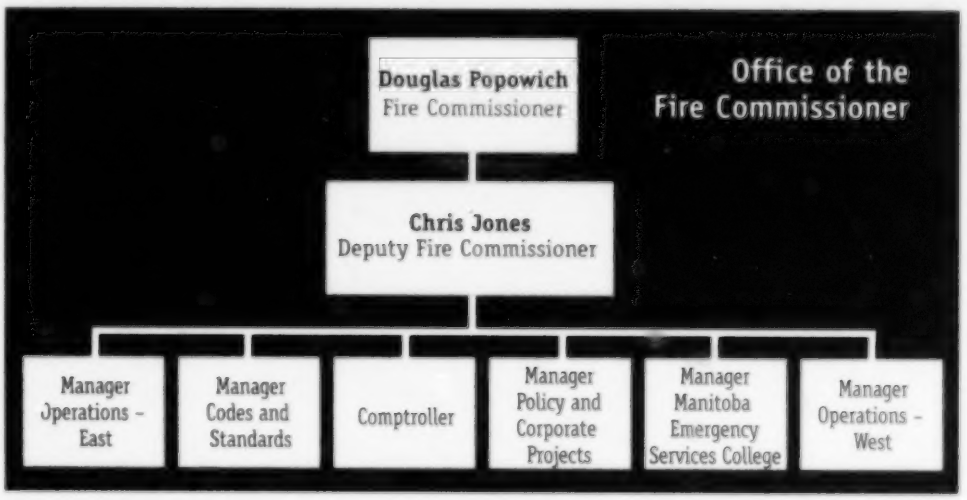
Provides Emergency Response services to the Province of Manitoba to assist with the operation and mitigation of major emergency incidents that are larger than Municipal capabilities, too technical in nature for Municipal resources, or of a provincial nature.

Organizational Structure

The Office of the Fire Commissioner is an SOA (Special Operating Agency) contained within Manitoba Labour and Immigration and reports directly to the Deputy Minister of Labour and Immigration.

Currently the Agency has 64 staff years. The Fire Commissioner reports to the Deputy Minister of Labour and Immigration and acts as the Agency's Chief Executive Officer. The Fire Commissioner provides overall supervision and guidance to the Agency with the assistance of a Deputy Fire Commissioner. Under the direction of the Fire Commissioner or Deputy Fire Commissioner the Management Team provides the day to day management of the organization and consists of Managers from the Administration, Emergency Services/Municipal Support, Education and Training, Codes and Standards and Emergency Response Sections. The Agency has offices in Winnipeg, Brandon, Thompson, The Pas and Beausejour.





2 PROVINCIAL FIRE STATISTICS

2006 GSAR training at Austin, MB

During 2006, Manitoba reported 6,035 fires. The number of fires increased by 735 or 14 per cent over 5,300 reported in 2005. However property damage decreased by $590,934 or (one per cent) over last year's figures. There were seventeen fatalities, a decrease of one from the 18 reported in the previous year. Injuries stand at 376, a decrease of 12 injuries, from the 388 reported last year.

Fires in Manitoba resulted in an estimated $115.1 million in property damages during 2006. Twenty-seven major loss fires (damages of $500,000 and over) accounted for $45.0 million (39 per cent) of the total estimated property loss in 2006. During 2005, Manitoba recorded 31 major losses with damages of $48.8 million.

During 2006, 17 people (16 adults) perished as a result of 16 fires in the province. Thirteen or 82 per cent of these fatalities occurred in the home.

While the cost of fires in terms of injury, death and property loss is high, it must be compared to the costs saved in lives and property as a result of the efforts of the Manitoba Fire Service. During 2006, an estimated $4.3 billion in property was saved as a result of the containment and suppression of fires.

The Number of Fires In Manitoba:

Number of Fires per 100,000 population

	2006	2005	2004	2003
Manitoba	480	423	432	501

The Cost of Fires to Manitoba:

Property Loss per capita

	2006	2005	2004	2003
Manitoba	91.49	92.40	68.70	75.74

Injury Rate per 100,000 population

	2006	2005	2004	2003
Manitoba	29.89	30.99	26.54	20.40

Death Rate per 100,000 population

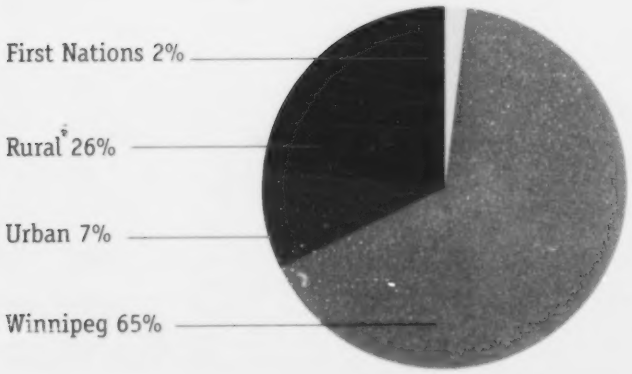
	2006	2005	2004	2003
Manitoba	1.35	1.44	1.52	.97

The Location of Fires in Manitoba

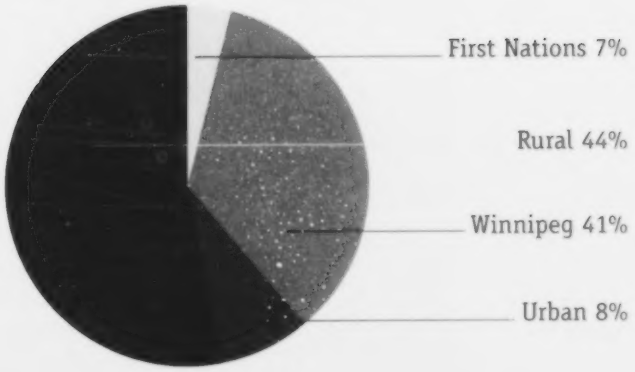
Distribution of Fires

	2006	2005	2004
Winnipeg	3,867	3,470	3,351
Remainder of Province	2,168	1,830	1,925

2006 Manitoba Fires



2006 Manitoba Property Damage



In addition, the Manitoba Fire Service reported assisting in the evacuation of approximately 640 individuals from fires.

The City of Winnipeg accounts for 65 per cent of reported fires and 41 per cent of property damages in Manitoba. During 2006, 2,219 or 57 per cent of Winnipeg's fires involved outdoor property, primarily rubbish and grass fires. Of these outdoor property fires, 1,438 or 65 per cent were intentionally set or of a suspicious nature.

Rural Manitoba reported 26 per cent of the fires and accounted for 44 per cent of property damages.

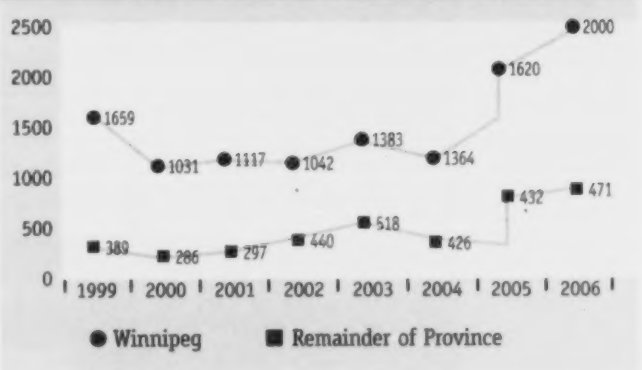
During 2006, the 6,035 fires reported resulted in $115,093,893 in damages. Outlined within the Causes of Fires Table are the percentages of fires and damages by four major causes: accidental, arson, suspicious and undetermined.

During 2006, the City of Winnipeg reported 2,000 incidents which were determined to be incendiary or suspicious in nature; this depicts an increase of 23 per cent or an additional 380 fires over the 1,620 incidents in 2005. The remainder of the provincial fires determined as arson suspicious also rose to 471 for an increase of nine percent or 39 over the 432 reported in 2005.

Causes of Fires

	Fires	Property Damage
Accidental	39%	39%
Arson	15%	21%
Suspicious	26%	5%
Undetermined	20%	35%

Manitoba Arson/Suspicious Fires 1999-2006



The Arson Strike Force and Youth Fire Stop Program remain dedicated to reducing the losses in both the City of Winnipeg and the remainder of the province.

3 KEY CONTINUOUS IMPROVEMENT OBJECTIVES

Hazardous Material Exercise at MESC.

The Agency identified several goals for the 2006/07 business plan year. These goals form the organization's action plan for each section. The following information provides an overview of the current status of each section's goals and objectives.

ADMINISTRATION

3.1.1 To develop the necessary regulations required to support the proclamation of The Fires Prevention and Emergency Response Act.

Through extensive consultation with the Manitoba Association of Fire Chiefs and the Association of Manitoba Municipalities, it was noted that the current *Fires Prevention and Emergency Response Act* is outdated and did not reflect the current services provided by the Agency and the Municipal Fire Services. As well, there was a need to expand the roles of local assistants, municipalities and municipal officials under the legislation, and to clarify the role of the OFC in fire and other emergencies which will complement the amendments made to the Act in 2002, by way of the *Securities Management Act* (various Acts amended). The amendments will clarify the role of municipalities in public safety in the province and improve the powers of local officials in dealing with fire and life safety risks in their jurisdiction.

The Act was passed on June 13, 2006, and was proclaimed on November 1, 2006. Following proclamation of the Act, the Agency will be required to develop regulatory support to the Act in areas of fire inspections, emergency response and education and training. The Regulation regarding fire inspections was passed on April 1, 2007, and will be fully implemented in the first quarter of 2007/08, by all municipalities and the Agency.

Student refilling truck at MESC

3.2 MUNICIPAL SUPPORT

3.2.1 To continue to enhance, develop and support training education opportunities in Northern and more remote locations of the province.

The Agency continues to be committed to developing and supporting training and education opportunities in Northern Manitoba. Through a close working relationship with key stake holders such as Manitoba Conservation, Manitoba Hydro, INCO, Manitoba Aboriginal Northern Affairs (ANA) and Thompson Fire and Emergency Services there has been a notable increase in utilization of the Thompson Practical Training site.

Through an Emergency Services Officer (ESO) located in Thompson the Agency continues to provide support and assistance in the areas of consultative services, fire prevention, public education, training and education, and emergency response planning to northern communities.

In addition the Agency is in its second year of a partnership with ANA in the delivery of community-based fire protection and emergency response education program for northern and remote communities. During the first quarter, training was provided to the community of Moose Lake and in the second quarter the community of Pelican Rapids was trained. The communities of Crane River and Sherridan received training in the third quarter. In the forth quarter, the community of Pikwitonei received training. Since the implementation of this program the Agency has certified over 72 firefighters in 10 communities.

Sparky at Fundraising Event

3.3 EDUCATION AND TRAINING

3.3.1 To continue to ensure that education and training programs meet the diversity of our clients.

In 1999, a marketing plan was developed to assist with the recruitment of aboriginal people to the Public Fire Paramedics Program (PFPP). To assist in this task, the Agency sought the services of an intern of the Aboriginal Management Development Program. Partnership agreements and a Memorandum of Understanding (MOU) were established between the Agency, the Manitoba Assembly of Chiefs and the Manitoba Métis Federation. The Agency put in place a half-time liaison officer to deal specifically with aboriginal issues.

3.3.2 To implement the training programs necessary to address the Provincial Hazard Analysis and Risk Assessment Gap Analysis.

As discussed in the Municipal Support Section, a Provincial Hazard Analysis and Risk Assessment had been completed and released. Through this initiative the agencies involved will be provided with a detailed listing of each community's risk(s) and will strive to address the assessment through response enhancements and education.

Officers at Lynn Lake forest fire.

Initial reports indicate that there is a need to enhance communities' education and response capabilities in areas such as firefighting and Incident Command. To assist in this area, the Agency released a web-based training program on Incident Command that is available to emergency responders.

3.3.3 To secure architectural designs for the possible future expansion of office space in the Brandon facility owned by the OFC.

The Manitoba Fire College was established in 1975, by the OFC to assist the Manitoba Municipal Fire Service with training and education. At that time the Manitoba Fire College was offering courses at the Agricultural Extension Centre in Brandon. In 1985, the Manitoba Fire College was built and seven OFC staff moved from the provincial building into the new Manitoba Fire College. In 1986, the Fire College offered the first full-time pre-employment program in Canada. This first program graduated 11 students. The Fire College also issued 620 certifications to municipal fire departments. In 1994, the province expanded the Fire College by adding on seven classrooms, a state of the art theatre, a boardroom and student lunch room to the existing facility. The Fire College was also given a new name, the Manitoba Emergency Services College. The MESC now graduates 64 full-time PFPP students a year and issues over 4,000 other certifications a year. In 1997, the province again expanded the Manitoba Emergency Services College and built the Practical Training Site. This site is used by the MESC, fire departments from across Manitoba and industry. The facility is now home to the 37 full-time OFC staff headquartered in Brandon. As well, the MESC provides support to more than 100 casual staff (instructor) and is utilized by several organizations in the province.

With the increased growth shown in the past years, the OFC is now facing several challenges with respect to housing of staff, classroom availability and emergency response equipment storage. Currently the OFC is renting a ATCO trailer to house eight of the full-time staff as the office space is not large enough to handle the staff in the facility. The MESC has developed a client base that includes all municipalities' emergency response services, Regional Health Authorities (RHA) as well as industy and policing agencies. To continue growth is paramount to the success of the OFC and a long-term investment will result in the ability to continue to expand the programs offered.

In the first quarter following receipt of Treasury Board approval, the Agency developed a complete request for quotes to have architectural drawings submitted. This tender was released at the end of the first quarter and awarded. The agency has received conceptual drawings in the second quarter and is currently reviewing technical drawings from the successful vendor. The Agency has provided information to Treasury Board in the fourth quarter regarding this expansion project and will await further direction.

3.4 CODES AND STANDARDS

3.4.1 To ensure the implementation of the National Objective Based Codes is monitored.

In 2001, the NRC introduced a concept to change the current code structure to an Objective Based format for implementation in January 2005. This change came into effect on April 1, 2006, in Manitoba and will assist users of the code with a greater understanding of the intent behind each requirement, provide more information to evaluate alternative approaches and equivalencies and allow for greater flexibility to adapt to innovation within Canadian and Manitoba construction.

The requirement for Manitoba to adopt the new standards was completed through regulation review and approval. In the first quarter the Agency prepared regulations for the establishment of the Manitoba Code and received approval on June 16, 2006. As such, both the Manitoba Building Code and Manitoba Plumbing Code have been established and communicated to all Authorities Having Jurisdiction. The adoption of the Manitoba Fire Code took place on November 1, 2006.

3.4.2 To increase the per capita fee for Part 9 contracts from the current $2.00 to $2.50.

The Buildings and Mobile Homes Act provides that all municipalities have responsibilities to enforce the Manitoba Building Code. Several years ago in response to the fact that many municipalities were not enforcing the Code, the Agency entered into a number of contracts for service. The current contract is based on a rate of $2.00 per person to a minimum of $1,000.00. The Agency issued approximately 80 permits via this contract.

Through approval of the 2006/07 business plan, the Agency implemented the increase effective January 1, 2007. Through this small increase in fees, the Agency will continue to ensure that costs for providing this service are fully covered.

3.5 FIRE INVESTIGATIONS

3.5.1 To continue to develop and support Arson Strike Force models within the province.

In 1999, due to an overwhelming problem with arson-related fires in Winnipeg, an Arson Strike Force consisting of members from Winnipeg Fire Paramedic Services, the Winnipeg Police and the Agency was formed. Following the formation of this tri-party organization, a notable decrease in arson-related fires was shown. However, there has been a noted increase in arson-related fires in rural Manitoba. This has resulted in the formation of a similar model in 2004, in the City of Brandon and, an Arson Strike Force model in the City of Thompson in 2006, and in the City of Dauphin during the fourth quarter.

As the Agency continues to monitor arson related activities, the need to be a major contributor to the Arson Strike Force models has become apparent. The Agency will work with high risk arson-related areas in the establishment of joint agency task forces.

EMERGENCY RESPONSE

3.6.1 To continue to prepare for and respond to emergencies in the province too large or complex to be handled by the local Municipal or Mutual Aid System.

Recognizing the legislated mandate under the *Fires Prevention and Emergency Response Act* to provide effective emergency response and support, the Agency has been pro-active in developing and enhancing its emergency response capabilities. The Agency continues to provide a critical link in Manitoba's safety infrastructure, through support of the Municipal Emergency Response system while ensuring that it remain a leader in the Emergency Services field.

Given that the Agency has been pro-active in developing and enhancing its emergency response capability and commitment to public safety, the Agency has noted the following successes to date:

- Continued development of the Provincial Urban Search and Rescue (USAR) capabilities.
- Continued development of the Provincial Hazardous Materials Technician capabilities.
- Jointly funded federal and provincial capital improvements at the Manitoba Emergency Services Practical training site for the purpose of USAR training and response.
- In August 2006, the Agency hosted a multi-agency Ground Search and Rescue (GSAR) training exercise for response to lost or missing persons, under the joint federal and provincial New Initiative Fund (NIF) Program.
- The Agency continues to support Manitoba Conservation – Fire Program and municipalities by providing property and value protection during wild land urban interface fires, including supporting water bomber efforts within municipal jurisdiction.
- The Agency continues to support the emergency services departments of Manitoba, whenever and wherever requested, in order to ensure effective incident management is being implemented at all emergencies.

The Agency has responded to 30 incidents by the end of the fourth quarter and participated in flood operations in both the First Quarter and Third Quarter.

Participants at Conference 2007

3.6.2 To continue to develop the capability of USAR within Manitoba.

In 2004, the Province of Manitoba, through Treasury Board, and supported by the Cabinet Sub-Committee on Security, directed the OFC to develop a USAR capability for the province. This project is a federally-funded initiative with the province committing 25 per cent of the funding and the federal government committing 75 per cent.

USAR is defined as: "The location of trapped persons in collapsed structures using dogs and sophisticated search equipment; heavy equipment such as cranes to remove

debris; the work to breach, shore, remove and lift structural components; the treatment and removal of victims; and the securing of partially or completely collapsed structures".

To date, the Agency has been very active in the development of the provincial USAR capability through the following initiatives:

- Acquisition of specialized rescue equipment
- Development of a Provincial Instructor Network
- Development of Provincial USAR training programs
- Delivery of basic level USAR training programs to volunteers and participating agencies including police, fire, Emergency Medical Services and industry representatives

Currently the Agency has received approval of two cost-shared initiatives which will provide operating dollars for ongoing training and the establishment of a training prop. This support is extremely important to the long-term success of this very important initiative and will continue to be pursued in future business plans.

3.6.3 To continue to support, develop and ensure sufficient resources are available to respond as part of the Provincial Chemical Biological Radiological and Nuclear (CBRN) initiative.

This initiative was to be a two year project which included providing training and equipment to emergency responders throughout the province and creating a more technical type of emergency response through partnerships involving government agencies, police agencies, and other major groups.

Over the past year, the Agency has been active in the delivery of CBRN Basic level training to the emergency response departments of Manitoba in an effort to ensure that initial responders have the knowledge and ability to recognize a possible CBRN incident.

Recently two Agency representatives attended a Weapons of Mass Destruction Technician Program at the Goodfellow Air Force Training Academy in San Angelo, Texas as part of a joint training initiative with the United States Department of National Defence.

Eight Agency staff members attended the Chemical Biological and Radiological Intermediate Training program at the Canadian Emergency Preparedness College in Ottawa, Ontario as part of a twenty four person Manitoba Team. In the second quarter, these members attended Suffield, Alberta and received certification in the advanced level CBRN response program. The Agency has continued to train and educate the current team members with monthly exercises being undertaken at the Practical Training site in Brandon.

3.6.4 To continue to support, develop and enhance the provincial GSAR team.

The responsibility for GSAR in Manitoba rests with the police agency having jurisdiction. Through a MOU between the Agency and the RCMP, and as directed by the province's Emergency Plan, the Agency provides logistical support to search and rescue operations and is responsible for the training, development and coordination of the volunteer GSAR team network. The authority to ensure that an effective Incident Command System is implemented at all provincial emergency incidents remains with the Agency.

The Manitoba provincial GSAR network has been developed over the past 12 years through the provincial mutual aid network as well as the First Nations Tribal Council

areas across the province. Presently there are 28 active volunteer GSAR teams trained and equipped to respond across the province.

This year the Agency has developed the following action plans:

- Continue to maintain the Provincial GSAR volunteer team network through the delivery of certified training programs at the district level, hosting of an annual provincial GSAR training exercise, and offering a winter rescue and survival training program for GSAR personnel

- Continue to support the RCMP and other police agencies having jurisdiction by providing logistical support and coordination of volunteer SAR teams, as well as ensure an effective Incident Command System is implemented at all GSAR incidents across Manitoba

- Continue to work with the City of Winnipeg Police Services (WPS) to develop an effective GSAR network within the City of Winnipeg

In addition, under a federal NIF for Search and Rescue, the Agency hosted an annual multi-agency GSAR exercises and offered winter rescue and survival training programs to GSAR personnel in the fourth quarter.

The Agency has responded to ten GSAR incidents at the request of the RCMP or WPS.

3.6.5 To continue to support police services in responding to illegal drug operations such as methamphetamine laboratories.

All sources of information indicate that there appears to be an increase in illegal drug lab activity in the province.

The Agency has developed a MOU with the RCMP to assist them in the safe mitigation of these labs, by providing the necessary fire and rescue protection, as well as specialized hazmat services.

The Agency recently hosted a two day joint training exercise with RCMP Clandestine Drug Lab Team in an effort to ensure the Agencies are familiar with the mandate and capabilities of each other, and that joint response protocol could be developed. As well, the Agency through the recent changes to the Act will be responsible to ensure that support for illegal drug operations is provided.

During the 2006/07 year, the Agency responded to three illegal drug operations.

Medical Training Exercise at MESC

4 PERFORMANCE MEASURES

Manitoba's USAR Team - CAN TF-4 - Churchill exercise October 2007

Investigations:

Fire investigations are conducted by members of the Manitoba Fire Service or the OFC in co-operation with police authorities and the insurance industry. Clients call upon the services of our fire investigators for situations such as fire fatalities, serious injuries, explosions, fires where origin or cause cannot be determined and any fire resulting in a major loss to the community.

The goal of the OFC is to see the number of investigations decline. This would reduce operating costs through the reduction of overtime paid to investigators. The key to achieving this goal is to continue training members of the Manitoba Fire Service in fire investigations. This would allow OFC investigators to deal with the more critical investigations.

The investigation work done by the Agency assists in the laying of criminal charges and conviction of criminals. No specific targets are set in these areas as the number of charges and convictions fluctuate with the number of arson incidents. Decisions made and actions taken by the police and prosecutors influence botn the number of charges and convictions.

Where arson is the cause of a fire, there can be savings to the insurance industry through reduced payouts. Investigative work also identifies how a structure performed during a fire which provides valuable evidence as to the adequacy of existing building codes. The knowledge gained is used to provide input into the code setting process.

	2006*	2005*	2004*
Number of investigations conducted	738	759	628
Percent of fires for which a cause was determined	83%	80%	81%
Number of charges laid	49	97	150
Decrease/(increase) in arson/suspicious fires			
a.) Winnipeg	(39%)	(13%)	(5%)
b.) Remainder of Province	13%	(62%)	25%
Deliver two Youth Fire Stop Programs to investigation and support Agencies	3	2	4

* *Calendar year*

Manitoba Emergency Services College (MESC):

The MESC provides training in program areas including Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation, Building Standards and Fire Prevention.

The large number of graduates from these MESC courses helps ensure that the province maintains a network of trained emergency response personnel. In addition to providing free training to our traditional Manitoba client, the MESC has been seeking revenue sources through new clients.

MESC Students in Training

MESC Programs	2006/07	2005/06
Number of people taking courses at the MESC	5,613	4,792
Gainful employment for Public Fire Protection Program students in an emergency service career within one year of graduation	80%	90%
Overall satisfaction rating of MESC programs by Public Fire Protection Program students	90%	90%
Satisfaction rating of individual courses offered by the MESC (scale of 10)	9	9

Students at Live Burn 2006

Critical Incident Stress Management (CISM):

The OFC initiated, developed and now maintains a provincial network of trained Critical Incident Stress Management personnel. Their primary role is to provide support to first responders who are engaged in critical incidents to mitigate the negative psychological affects that such incidents can have on the personal and career lives of these responders.

	2007	2006
Maintain 7 Provincial Teams	7	7
Response to CISM requests at the Regional levels actioned within 4 hours	95%	94%
Response to CISM requests at the Provincial level actioned within 1 hour	98%	94%
Development and review of appropriate training manuals: Basic CISM, Advanced CISM, Educational Handouts, Continuing Education Programs	N/A	Review Completed
Development and delivery of appropriate training programs: 5 Basic CISM Programs per year, 1 Advanced CISM program per year	7 Basic Delivered 3 Advanced Delivered	2 Basic Completed 2 Advanced Delivered

Codes and Standards:

The Codes & Standards Section plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff work to ensure that buildings meet provincial Building, Fire and Plumbing Codes and do not present a serious threat to public safety. The goal of this section is to reduce injuries, deaths and property losses arising from substandard construction. We cannot readily quantify these public benefits.

	2007	2006
Time to process building permits (% within 9 working days)	90%	87%
Delivery of awareness seminars for Recreational Vehicles/Mobile Home dealers re: safety requirements	4	4
Develop delivery of educational programs with other government agencies	3	2
Delivery of contractor information sessions	3	2

Emergency Services/Municipal Support:

The fire service in North America has traditionally been re-active. It responds to emergency situations as they arise with less emphasis on prevention.

The Agency wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property threatening incidents that occur.

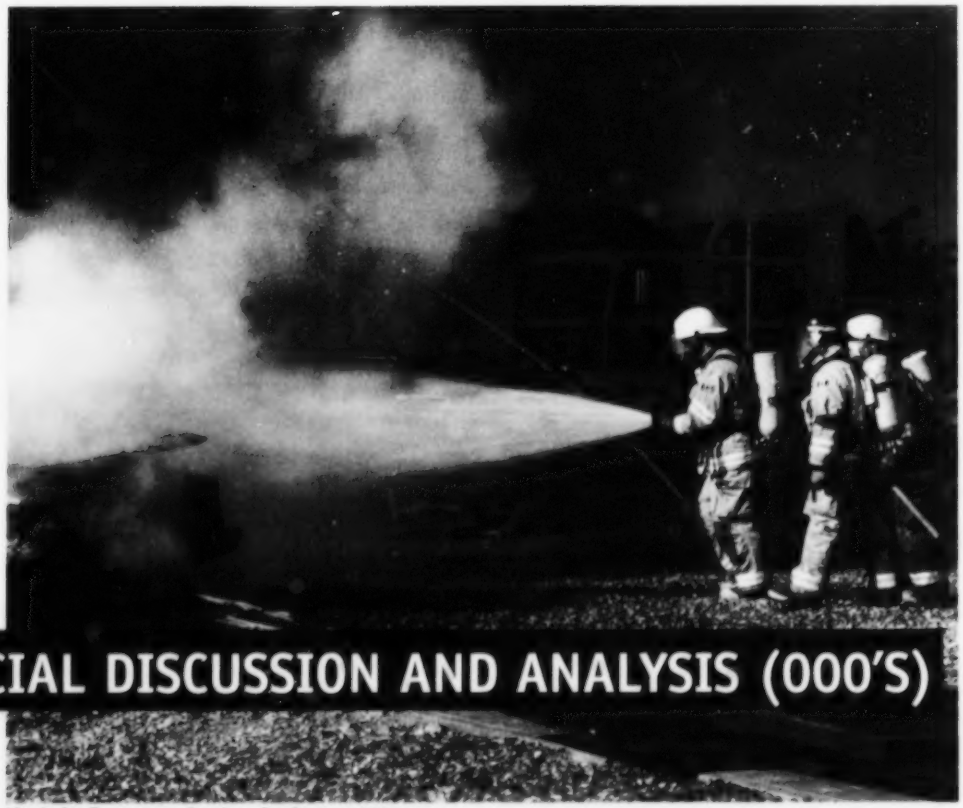
To this end, the Agency has developed a Five Step Action Plan for the Municipal fire service. The Agency will continue to work with the Manitoba fire departments to help implement the program.

	2006/07	2005/06	2004/05
Attendance of Emergency Services Officers or OFC representative at Mutual Aid and Training District meetings	90%	90%	90%
OFC Management to attend one Mutual Aid District meeting per district per year	20/20	20/20	17/20
Requests for assistance from Municipal council or fire department actioned within 3 working days	92%	90%	90%
Requests for fire inspections from all client groups actioned within 5 working days	87%	90%	90%
Delivery of Elected Officials Seminars at the Mutual Aid level	8	2	4

Emergency Response:

	2006/07	2005/06	2004/05
When requested to respond to emergency situations the response shall be within 45 minutes of call	100%	100%	90%
Number of emergency responses	30	29	29

OFC responds to the Elie tornado.



5 FINANCIAL DISCUSSION AND ANALYSIS (000'S)

Manitoba Emergency Services Conference 2007

REVENUES

Levy – The amount recorded as levy revenue is based upon the exact amount of levy revenue remitted by the insurance industry.

Codes & Standards – Codes & Standards revenue is $765 above last year's actuals and is $803 over budget. Revenue from this source fluctuates significantly with economic cycles, particularly building construction.

Tuition and Contract Revenue – Tuition and contract revenue is $10 under last year's actuals and is $417 under budget due to lower than expected revenue from the Manitoba Emergency Services College's fee for service courses. Our primary customer for training, the Manitoba Fire Service, continues to receive training at no charge.

New Search and Rescue (SAR) Initiative Fund (NIF) Grant – The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at Northern and remote areas of Manitoba.

JEPP (Joint Emergency Preparedness Program) Capital Grant – The amount of $108 represents revenue taken in from the deferred revenue account for capital asset purchases, as discussed in the Notes to the Financial Statements.

JEPP (Joint Emergency Preparedness Program) Initiative Operating Grant – The purpose of this grant is to provide for the continued maintenance, training and education and scheduled team meetings and exercises to support the HUSAR and HAZMAT capability within the Province of Manitoba.

Interest – Interest revenue represents interest earned on cash surplus deposits. Cash receipts for the Fires Prevention

Winkler Hazmat Exercise

Fund levy and the favourable variance in Codes revenue account for the majority of the cash surplus. The surplus is drawn down throughout the year to finance OFC operations and capital spending. Interest revenue is $46 above last fiscal year and is $38 ahead of budget.

Summary - Agency revenues are ahead of budget by $816 for fiscal 2007. The increased revenue performance this fiscal year can be directly attributed to increases in permit revenue.

EXPENDITURES

Salaries & Benefits - Salaries and benefits have increased $66 over the last fiscal year. Costs for this category are $148 under budget.

Vehicle Lease - Vehicle Lease costs are $14 under last year's actuals and are $24 over budget due to higher mileage costs and renewal rates for Fleet vehicles utilized by the Agency.

Travel - Travel costs are $77 higher than last year and $155 over budget due to higher than expected travel expenses in the first and fourth quarter.

Communication - Communication costs are $12 above last year's actuals and are $20 above budget.

Mutual Aid - The mutual aid line item represents incentive grants given to mutual aid districts to encourage the delivery of training programs in their districts with their own personnel. Certain criteria must be met before a grant will be issued. This amount is $16 over budget.

Property Taxes - Property tax costs have increased $90 over last year and are $12 over budget.

Supplies - Supply costs are $34 under last fiscal year actuals and are $84 over budget due to higher than expected supply costs in all sections of the Agency.

Professional Services - Professional services costs are $14 over last year's actuals and $1 under budget.

Professional Development - Professional development costs are $1 under budget.

Emergency Response / New Search and Rescue (SAR) Initiative Fund (NIF) Expenditures / JEPP Initiative - The budget for these three line items needs to be redistributed to reflect a change in presentation. Accounts that currently absorb these expenditures include salaries, travel, and supplies.

Summary - Overall, expenditures have increased by $244 over last fiscal year's actual. Total expenditures were less than budget by $164. The Agency earned a year-to-date surplus of $663 to the end of fiscal 2007, versus a surplus of $334 for the same period last year.

Management's Report

For the year ended March 31, 2007

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 11, 2007.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas M. Popowich
Fire Commissioner

Christopher L. Jones
Deputy Fire Commissioner

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2007 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The budget figures presented in the Statement of Operations are unaudited.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 11, 2007

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31		2007		2006
		(000's)		
Assets				
Current Assets				
Cash	$	5,263	$	6,895
Short-term investments (Note 3)		2,400		-
Accounts receivable (Note 4)		471		657
Accrued interest		6		-
Inventory		-		18
Prepaid expenses		57		55
		8,197		7,625
Non-Current Assets				
Due from Province of Manitoba - Severance (Note 5)		311		311
Due from Province of Manitoba - Vacation Pay (Note 6)		248		248
Capital assets (Note 7)		5,464		5,703
		6,023		6,262
	$	14,220	$	13,887
Liabilities and Equity				
Current Liabilities				
Accounts Payable	$	193	$	405
Accrued Liabilities		490		508
Deferred Revenue		272		374
		955		1,287
Non-Current Liabilities				
Severance Liability (Note 8)		388		358
Deferred Contributions (Note 11)		519		547
		907		905
Equity				
Contributed Capital (Note 9)		11,279		11,279
Water Bomber Reserve Fund (Note 12)		200		200
Canine Training Reserve Fund (Note 13)		25		-
Retained Earnings		854		216
		12,358		11,695
	$	14,220	$	13,887

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Retained Earnings (Deficiency)

March 31	2007	2006
	(000's)	
Opening Balance	$ 216	$ (13)
Add: Net Income for the Year	663	329
Less: Water Bomber Reserve Fund Allocation (Note 12)	-	(100)
Canine Training Reserve Fund Allocation (Note 13)	(25)	-
Closing Balance	$ 854	$ 216

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations

For the year ended March 31

(000's)

	2007 Actual	2006 Actual	Variance	Budget (Unaudited)	Budget Variance
Revenue					
Levy	$ 5,119	$ 4,866	$ 253	$ 4,829	$ 290
Codes and standards	2,141	1,376	765	1,338	803
Tuition and contract revenue	913	923	-10	1,330	-417
Interest	138	92	46	100	38
JEPP capital grant (Note 11)	108	116	-8	-	108
Emergency services conference	108	94	14	107	1
Grant - Health	90	360	-270	-	90
JEPP initiative grant (Note 11)	81	173	-92	180	-99
Other revenue	72	69	3	50	22
New SAR Initiative (NIF) Grant (Note 10)	30	58	-28	50	-20
Fire inspections, investigations and reports	21	11	10	15	6
Gain on asset disposition	5	-	5	-	5
Rent	4	3	1	-	4
Book sales	-	-	-	15	-15
Insurance settlement	-	111	-111	-	-
	8,830	8,252	578	8,014	816
Expenses					
Salaries and benefits	4,281	4,215	66	4,429	-148
Amortization	721	535	186	639	82
Travel	435	358	77	280	155
Vehicle lease	389	403	-14	365	24
Supplies	334	366	-31	250	84
Repairs and maintenance	327	330	-3	300	27
Professional services	226	175	51	92	134
Rent	221	190	31	184	37
Desktop management	192	324	-132	200	-8
Communications	170	158	12	150	20
Mutual Aid	141	109	32	125	16
Property taxes	135	45	90	123	12
Insurance	106	105	1	108	-2
Labour services	95	81	14	96	-1
Utilities	82	82	-	70	12
Fuel - Owned vehicles	61	-	61	-	61
Public education material	50	35	15	40	10
Postal and courier	39	44	-5	38	1
Publications	35	24	11	22	13
Professional development	30	14	16	31	-1
Emergency response	25	43	-18	100	-75
Other	22	31	-9	50	-28
Marketing	20	19	1	16	4
Clothing	20	-	20	-	20
Memberships and subscriptions	6	-	6	-	6
Photofinishing	2	2	-	-	2
S.O.A. Board	2	1	1	-	2
Medical computer lab	-	6	-6	-	-
Land lease	-	10	-10	-	-
Buildings standards board	-	-	-	5	-5
New SAR initiative (NIF) expenditures	-	54	-54	50	-50
JEPP and HUSAR initiative expenditures	-	54	-54	240	-240
JEPP and HUSAR initiative amortization	-	108	-108	-	-
	8,167	7,923	244	8,003	164
Net income for the year	$ 663	$ 329	$ 334	$ 11	$ 652

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The
Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2007	2006
	(000's)	
Cash Flows from Operating Activities		
Net income for the year	$ 663	$ 329
Items not involving cash		
Amortization of capital assets	721	643
	1,384	972
Net change in non-cash working capital balances	(145)	(261)
	1,239	711
Cash Flows from Investing Activities		
Proceeds on disposition of assets	16	-
Purchase of capital assets	(487)	(657)
	(471)	(657)
Increase in cash and cash equivalents during the year	768	54
Cash and cash equivalents, beginning of year	6,895	6,841
Cash and cash equivalents, end of year	$ 7,663	$ 6,895
Represented by:		
Cash and bank	$ 5,263	$ 6,895
Short-term investments	2,400	-
	$ 7,663	$ 6,895

The accompanying notes form an integral part of these financial statements.

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and Immigration and ultimately under the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, investments, accounts receivable, accrued interest, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting Estimates and Assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

d) Inventory

Inventory is valued at cost.

e) Capital Assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	5% declining balance
Practical training site	10% declining balance
Equipment	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	30% declining balance

f) Revenue Recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2006 calendar year will be recognized as revenue in the fiscal year ending March 31, 2007. The levy rate is set at 1.25%.

Codes and standards, conference, and tuition and contract revenue is recognized when earned and when collectibility is reasonably assured. Grant revenue is recognized as revenue when receivable. Grant revenue received for the purchase of capital assets is deferred and recognized as revenue in the same fiscal year and at the same rate as the amortization expense of the related capital assets.

3. INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is made up of the following:

	2007	2006
Department of Finance – Province of Manitoba	$ 67	$ 258
Public Safety and Emergency Preparedness Canada	342	363
Other	62	36
	$ 471	$ 657

5. LONG-TERM SEVERANCE RECEIVABLE AND LIABILITY

The Province has accepted responsibility for the severance benefits accumulated by the Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was completed and as a result the receivable from the Province was restated to $311. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. VACATION PAY RECEIVABLE

Effective March 31, 1996, the Office of the Fire Commissioner commenced recording the estimated liability for vacation pay for its employees. The amount of the estimated liability is determined on March 31 of each year based on eligible vacation entitlements.

The Province of Manitoba has accepted responsibility for the vacation pay benefits accumulated to March 31, 1996 by the Office of the Fire Commissioner's employees. Accordingly, the Office of the Fire Commissioner recorded, effective March 31, 1996, a receivable of $248 from the Province of Manitoba, which is an amount that is equal to the estimated liability for vacation pay benefits at March 31, 1996.

This receivable from the Province of Manitoba has no terms of repayment and, accordingly, the amount of this receivable will remain fixed at $248.

(000's)

7. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,056	$ 30	$ -	$ 4,086
Training site	2,031	10	-	2,041
Training site - JEPP	171	32	-	203
Equipment	1,467	144	7	1,604
Equipment – JEPP	715	49	-	764
Fire engines	989	-	-	989
Other vehicles	243	148	16	375
Other vehicles – JEPP	40	-	-	40
Air compressors	335	50	-	385
Furniture	70	-	-	70
Computers	331	24	-	355
Computers – JEPP	13	-	-	13
Total cost	$ 10,461	$ 487	$ 23	$ 10,925

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	$ 1,188	$ -	$ 145	$ 1,333
Training site	766	-	128	894
Training site - JEPP	9	-	19	28
Equipment	1,034	3	115	1,146
Equipment – JEPP	350	-	83	433
Fire engines	692	-	89	781
Other vehicles	219	15	51	255
Other vehicles – JEPP	26	-	4	30
Air compressors	220	-	33	253
Furniture	61	-	1	63
Computers	186	-	51	237
Computers – JEPP	7	-	2	9
Total Amortization	$ 4,758	$ 18	$ 721	$ 5,461
Net Capital Assets	$ 5,703			$ 5,464

8. SEVERANCE LIABILITY

Effective April 1, 1998, the Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining life of the related employee group.

An actuarial report was completed for the severance pay liability as at March 31, 2005. The report provides a formula to update the liability on an annual basis. The Office of the Fire Commissioner's actuarially determined net liability for accounting purposes as at March 31, 2007 is $388 (2006 - $358).

9. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings were being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

10. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

On a quarterly basis, the Office of the Fire Commissioner applies for a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

The New SAR Initiative (NIF) Grant line item reflects the grant received for the year ended March 31, 2007 of $30 ($58 in 2006).

11. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) GRANT

The Office of the Fire Commissioner applies for grants from the Office of Critical Infrastructure Protection and Emergency Preparedness. The two purposes of these grants are to enhance the Province of Manitoba's ability to respond to hazardous material and heavy urban search and rescue emergency responses through the provision of equipment and training.

JEPP operating grant revenue for the year ended March 31, 2007 is $81 ($173 in 2006). An amount of $108 was taken into revenue from the deferred revenue account for the amortization of the JEPP assets for the year ended March 31, 2007 ($116 in 2006).

JEPP capital assets in the amount of $81 have been purchased in the year ended March 31, 2007 ($182 in 2006). JEPP deferred revenue is equal to the net book value of assets purchased with JEPP capital grants. JEPP deferred revenue as at March 31, 2007 is $519 ($547 in 2006).

12. WATER BOMBER RESERVE FUND

The Agency received approval from Treasury Board in Fiscal 2005 to establish a special reserve fund for water bomber fire suppression activities. This fund is capped at an amount of $200 and will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property. As at March 31, 2007, the agency has allocated a total of $200 to this fund from its Retained Earnings account.

13. CANINE TRAINING RESERVE FUND

The Agency established a special reserve fund for replacing and training a rescue dog. The total cost to train a dog is estimated at $40 and the average time a dog spends in service is six years. For the year ended March 31, 2007, the agency allocated $25 to this fund from its retained earnings. Allocations of $7.5 per year will be made to the fund over the next two years to cap the fund at $40. In the third year an annual allowance of $7.5 will be included in the agency's operating budget. Once this fund has been used it will be discontinued.

14. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007, with three (3) five-year renewal options. Minimum annual rent is $10 due on equal monthly instalments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into vehicle leases which give rise to commitments as follows:

March 31	
2008	$ 183
2009	151
2010	97
2011	55
2012	33

15. Public Sector Compensation

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board Members. During the fiscal year ended March 31, 2007, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2007	2006
D Popowich	Fire Commissioner	$ 95	$ 96
K Swan	Investigator	89	93
R Bridges	Emergency Services Officer	88	79
W Harrow	Investigator	85	95
C Jones	Deputy Fire Commissioner	82	80
D Singleton	Emergency Services Officer/Instructor	81	71
C Hogarth	Investigator	80	80
D Schafer	Manager, Operations West	80	79
G Favelle	Manager, Critical Incident Stress Management	78	77
R Vandekerkhove	Manager, Operations East	77	82
K Carmichael	Emergency Services Officer	70	69
M Bedford	Emergency Services Officer	68	71
D Beacham	Acting Manager, Codes and Standards	67	-
R Harvey	Coordinator, Rescue Programs	66	62
R Gillis	Emergency Services Officer	65	68
R Pike	Coordinator, Public Fire Paramedic Program	65	65
K Lanceley	Emergency Services Officer	64	60
K Kroeker	Emergency Services Officer/Instructor	64	52
R Denslow	Emergency Services Officer	63	66
G Giesbrecht	Emergency Services Officer/Instructor	63	54
S Fisher	Emergency Services Officer/Instructor	63	53
T Praznik	Emergency Services Officer/Instructor	62	54
M Jackson	Emergency Services Officer	61	65
B Popko	Manager, Manitoba Emergency Services College	61	59
L Oliver	Coordinator, Emergency Medical Programs	61	-
A Gray	Emergency Services Officer	60	59
T Grimshaw	Codes and Standards Officer	59	60
K Hykawy	Codes and Standards Officer	59	60
T Jennings	Codes and Standards Officer	59	60
J Wedge	Codes and Standards Officer	59	60
S Wolf	Codes and Standards Officer	59	60
B Hollier	Manager, Administration and Support Services	58	59
G Winder	Emergency Services Officer/Instructor	58	55
K Oman	Codes and Standards Officer	58	-
M Kerbis	Emergency Services Officer/Instructor	56	57
S Dufresne	Emergency Services Officer/Instructor	56	54
A Campbell	Codes and Standards Officer	55	54
K Giersch	Emergency Services Officer/Instructor	55	-
K Danino	Public Education Officer	53	53
D Franchewski	Emergency Services Officer	51	-
J Lebel	Manager, Special Projects	-	76
J Tabin	Curriculum Development Officer	-	58
B Graham	Codes and Standards Officer	-	54
B Hodge	Comptroller	-	57

16. PENSION BENEFITS

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Office of the Fire Commissioner, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2007 was $174 ($171 in 2006). Under this agreement, the Office of the Fire Commissioner has no further pension liability.

17. CHANGE IN ACCOUNTING ESTIMATE

The organization has revised its estimates regarding the useful lives of some fixed assets. Accordingly, the amortization rates for buildings has changed from 40 years straight line to 5% declining balance, training site has changed from 20 years straight line to 10% declining balance and computer equipment and software has changed from 5 years straight line (with the half-rate rule for additions during the year) to 30% declining balance (with no half-rate rule for additions during the year). This change has resulted in an increase in amortization charge of $60 with a corresponding decrease in net income for the year. Some of the affected capital assets were purchased with grants which have been deferred and are being recognized as revenue in the same year and at the same rate as the amortization expense of the related capital asset. Therefore, this change also resulted in an increase in grant revenue of $8 and a corresponding increase in net income for the year.

18. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

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